

Specification of Competency Standards of the Beauty and Hairdressing Industry

Unit of Competency

Functional Area: Operational Management

Title	Formulate Risk Management for Hairdressing Business Operation
Code	105439L5
Range	This unit of competency (UoC) is applicable in hairdressing-related workplaces. It involves planning, analysis, evaluation and judgement, and some management duties. Practitioners should be able to master industry-related risks and contingency measures to formulate a comprehensive and effective risk management plan.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Understand risk management theory <ul style="list-style-type: none"> • Understand background, history and management team of the organization • Understand the organization's shareholding structure and the composition of its board of directors and advisors • Understand market opportunities (the industry, market scale, potentials and specific markets), marketing strategies for products or services (different combinations of market strategies, including that of product, price, market positioning, location, etc.), competition strategy and competition analysis in order to reduce operational risks • Understand risk management theory, including: <ul style="list-style-type: none"> • Definition of risk management • The importance of risk management • Purpose and methods of investment risk management, e.g.: avoid losses, reduce losses, transfer risks, information management, retain risks • Understand the organization's facilities, e.g. office, plant, equipment and other tangible assets • Understand modern risk management <ul style="list-style-type: none"> • Current development of risk management • Way of handling risks • Post-crisis risk management strategy • Understand elements, ways and tools to identify risks and the exposure of risks • Understand risk assessment concepts, e.g.: risk measurement, the importance of risk assessment etc. • Understand ways to control risks and the importance of risk control, including: <ul style="list-style-type: none"> • Advance assessment of risks • Pre-risk control and post-risk financial compensation 2. Formulate risk management plan <ul style="list-style-type: none"> • Master risk solutions, identify potential risk issues and its timing • Master different procedures and aspects of hairdressing services, apply risk management knowledge and techniques such as risk assessment tools and review mechanism to formulate a risk management plan • Assess different workflows, instruments, tools and facilities of hairdressing services, conduct risk assessment and formulate a contingency plan 3. Exhibit professionalism <ul style="list-style-type: none"> • Formulate risk management policy in the overall interest of organization, customers and business partners
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Master and apply risk management knowledge and techniques to analyze different hairdressing services objectively and rationally, assess different ways of handling risks and crises, and formulate an effective and comprehensive risk management plan; and • Set the insurance coverage according to protection needs.
Remark	